
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of Lake Creek Metropolitan District February 9, 2023

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on February 9, 2023 at 3:00 p.m., at the offices of Marchetti & Weaver and via Zoom meeting, <https://us06web.zoom.us/j/85631752618?pwd=akRZL0IxRnZMSzhlWEVtdHFNSndvQT09>, in accordance with the applicable statutes of the State of Colorado.

Phone Only US 1 719-359-4580

Meeting ID: 856 3175 2618

Passcode: 567489

Attendance The following Directors were present and acting:

- Anne McGonagle
- Kathleen Eck
- Ann Bourke

The following Directors were absent and excused:

- John Horan-Kates
- Hatsie Hinmon

Also in attendance:

- Tony Zancanella, Zancanella & Associates (Zoom)
- Blake Peterson, Balcomb & Green, P.C. (Zoom)
- Ken Marchetti, Marchetti & Weaver, LLC (Zoom)
- Kendra Nicholson, Marchetti & Weaver, LLC, secretary for the meeting

**Call To
Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:05 p.m. by Director Eck noting a quorum was present. There were no conflicts of interest disclosed.

**Additions to
The Agenda**

24-Hour Notice Resolution
Audit Exemption Resolution

**Public
Comment**

There was no public comment.

Minutes

The Board reviewed the Minutes from the November 16th 2022 board meeting. Suggested edits and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the November 16th 2022 Minutes

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District February 9, 2023 Meeting Minutes

Election

Resolution

The election resolution was presented to the Board, it appoints Ms. Nicholson as DEO. There was a discussion about who is up for election and which Directors are term limited.

Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the 2023 Election Resolution as presented.

2023

24-Hour Election

Resolution

There was a motion to approve the 24-Hour Posting Notification. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 24-Hour Posting Notification

Water Cases

Chris Geiger stated that Too Well Ranch, LLC would like to change the point of diversion of their irrigation water rights off of Lake Creek at locations within its property. It won't be changing the amount of land irrigated and Mr. Geiger stated he doesn't see a problem with this change.

Too Well Ranch's second request is to change its interest in the Tourville No. 2 Ditch to add and refill the Bronfman's Pond No. 1. Mr. Geiger expressed some concern with the application but indicated he is confident that the Division of Water Resources or another government entity will address the applicants' request and it will get straightened out. Mr. Zancanella stated that the purpose is to use the historical amount of water and not to add to the amount taken in the past. It was stated that they are required by law to measure the amount of water diverted. Following discussion the Board decided to take no action on this application.

Water

Operations

Report/Capital

Projects

Mr. Zancanella stated that he wants to look over the consumption reports before he presents them to the Board. The reports were showing a large amount of unaccounted water loss and he'd like to review them in more detail before he presents the findings.

Line Cut at

2300 Lake

Creek Rd

Mr. Zancanella reviewed the line cut that happened at 2300 Lake Creek Rd. They had to go back in and make repairs on the line. Director Bourke asked about the locates done. Mr. Zancanella said the locates were not done properly in all areas that were needed by the contractor, private locates were done. Calling 811 was not done. He also stated it is required by statute to

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District February 9, 2023 Meeting Minutes

call 811. Mr. Zancanella suggested that the District split the extra cost for the broken line with Zancanella. The Board members had a discussion about the liability in this case and who is ultimately responsible for the line cut. There was a discussion about the use of private locates vs using 811. Mr. Zancanella explained the difference. Mr. Peterson said that there is a suggested change in the District's Rules & Regulations stating that in the future homeowners must use District authorized contractors for line locates. The Board agreed they would like a provision stating that and also that 811 must also be used when available. Zancanella's office is the representative for 811 for the District.

Director McGonagle asked about the generator for Eagle Crest. Mr. Zancanella said it still needs to be procured. Director McGonagle asked about timing and Mr. Zancanella said they are in the process of ordering the work to be done. Director Eck asked if it's the last hydrant that needs to be installed? He stated that there is one on Eagle Crest and one other that needs to be done.

Proposed Water Rules & Regs

Mr. Peterson reviewed the draft Rules & Regs. Director Eck asked who is in the roll of General Manager. Mr. Peterson stated the Board can appoint who they want to be the General Manager. Mr. Marchetti stated that the M&W office has taken that role in the past but that Zancanella's office as water system operator could also take that role. The Board members suggested making that clearer in the Rules & Regs. Mr. Peterson reviewed all the red line suggested changes to the District Rules & Regs. The Board suggested changes to the edits presented as they went through the redline edits.

After Board Discussion there was a motion to accept the revised Water Rules & Regulations. It was decided to wait until the final draft was drawn up and presented to the Board before the new Rules & Regulations are approved.

Financial Statements

Mr. Marchetti presented the December 31, 2022 financial statements included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the December 31, 2022 financial statements as presented.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District February 9, 2023 Meeting Minutes

2022 Audit Exemption

Mr. Marchetti presented the 2022 Audit Exemption Application and Audit Exemption Resolution.

Following discussion and, upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2022 Audit Exemption Resolution.

Following discussion and, upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2022 Audit Exemption Application.

Accounts Payable

The Board was informed that there will be changes (a credit) from Zancanella for the reconnect of 2300 Lake Creek Rd. The Board reviewed the December 2022 & January 2023 Accounts Payable list.

Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the December 2022 & January 2023 Accounts Payable lists with the Zancanella billing credit mentioned above included.

Adjournment

There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 9th day of February, 2023.

Respectfully submitted,

Kendra Nicholson
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of Lake Creek Metropolitan District May 11, 2023

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on May 11, 2023 at 4:00 p.m., at the offices of Marchetti & Weaver and via Zoom meeting, <https://us06web.zoom.us/j/85631752618?pwd=akRZL01xRnZMSzhlWEVtdHFNSndvQT09>, in accordance with the applicable statutes of the State of Colorado.

Phone Only US 1 719-359-4580

Meeting ID: 856 3175 2618

Passcode: 567489

Attendance The following Directors were present and acting:

- Anne McGonagle
- Kathleen Eck
- Ann Bourke
- Hatsie Hinmon
- Donald Welch

The following Directors were absent and excused:

Also in attendance:

- Tony Zancanella, Zancanella & Associates (Zoom)
- Blake Peterson, Balcomb & Green, P.C. (Zoom)
- Ken Marchetti, Marchetti & Weaver, LLC (Zoom)
- Kendra Nicholson, Marchetti & Weaver, LLC, secretary for the meeting

**Call To
Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:20 p.m. by Director Eck noting a quorum was present. There were no conflicts of interest disclosed.

**Additions to
The Agenda**

None

**Public
Comment**

There was no public comment.

Minutes

The Board reviewed the Minutes from the February 9, 2023 board meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the February 9, 2023 Minutes

Water Cases

Blake Peterson stated that in the Eck/Benbow case Eck/Benbow and the Metro District filed a stipulation addressing the District's concerns and the

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District May 11, 2023 Meeting Minutes

stipulation was approved by the Court, effectively concluding the District's active involvement in the case.

The Pilgrim Downs Oct 2022 case was submitted to the court on April 17th and is before referee for consideration.

Rules and Regs will be distributed for consideration at next Board Meeting. Mr. Peterson will get with Mr. Zancanella regarding details of the utility locate rules to be incorporated. Director Eck requested a red lined copy for the Board ahead of the meeting. Mr. Zancanella will coordinate with Balcomb and Green for an indemnification agreement related to the utility locates.

Water Operations Report/Capital Projects

Mr. Zancanella stated in the report the water level on wells 1 & 2 have come back up, which is to be expected this time of year. He suggested that quotes be obtained to have a leak study done. Mr. Zancanella stated these studies typically cost about \$2,500 to \$3,500. The Board agreed to proceed with a cost not to exceed \$3,500.

Mr. Zancanella informed the Board that the Eagle Crest hydrant has been installed. The hydrant at the end of Jackman is scheduled next.

Request for Water for Construction

Mr. Zancanella stated that the construction company (**Insert**) has found water elsewhere and doesn't need water from the District. There was a request for construction water to be used outside of the District.

Request for Inclusion in Lake Creek Water System

Mr. Zancanella stated that an owner of property adjacent to the District approached him about possible inclusion into the District for the purpose of connecting to the District's water system. There was a discussion about the availability of water within the District and the Board has come to the conclusion that at this time the District does not have the water to serve additional properties. There was a suggestion made by Director Welch for the Board to vote on adopting a formal policy not allowing inclusions into the District for the purpose of connecting to the District's water system. Upon motion duly made and seconded, it was unanimously

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District May 11, 2023 Meeting Minutes

RESOLVED to adopt a formal policy to not allow any further inclusions into the District for purpose of connecting to the water system at this time.

Board Water System tour

The Board discussed setting up another water system tour mid-June. The meeting will be noticed as a work session of the Board.

Financial Statements

Mr. Marchetti presented the April 30, 2023 financial statements included in the packet. He started by reviewing the balance sheet and directed the Board to the cash in the bank accounts. He said most of the District funds are split between CD accounts and an account with a 4.51% interest rate. The District has no long-term debt currently. He then directed the Board to the assessed value. He explained the process of giving a mill levy credit on the property tax rates. Colorado Senate Bill 23-303 places a ballot question before Colorado voters on November 7, 2023 which would lower assessment rates and provide a statutory reduction in the actual value of \$50,000 per residence.

There was a Board discussion about the planned upgrade projects and the funding of those capital projects. The Board expressed interest in providing notice to all residents of the District explaining the property tax process and what the options are for the District. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the April 30, 2023 financial statements as presented.

Accounts Payable

The Board reviewed the April 2023 Accounts Payable list. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the April 2023 Accounts Payable list

Accounts Receivable

There was a discussion about the SFE's and water taps and how the process of adding SFE's is set up. There are several accounts the Board asked Ms. Nicholson to look into regarding rates and past due amounts. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the April 2023 Accounts Receivable list

Election of Officers

Director Welch – Appointed as Secretary

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District May 11, 2023 Meeting Minutes

Upon motion duly made and seconded, it was unanimously

RESOLVED to Appoint Donald Welch as the secretary of the Lake Creek Board of Directors.

All other officers will remain the same:

Kathleen Eck President

Harriet (Hatsie) Hinmon VP, Asst Treasurer/Asst Secretary

Ann Bourke Treasurer

Anne McGonagle Asst Secretary/Asst Treasurer

Adjournment

There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 11th day of May, 2023.

Respectfully submitted,

Kendra Nicholson
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of Lake Creek Metropolitan District August 10, 2023

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on August 10, 2023 at 4:00 p.m., at the offices of Marchetti & Weaver and via Zoom meeting, <https://us06web.zoom.us/j/85631752618?pwd=akRZL0IxRnZMSzhlWEVtdHFNSndvQT09>, in accordance with the applicable statutes of the State of Colorado.

Phone Only US 1 719-359-4580

Meeting ID: 856 3175 2618

Passcode: 567489

Attendance The following Directors were present and acting:

- Anne McGonagle (Zoom)
- Kathleen Eck
- Ann Bourke
- Hatsie Hinmon
- Donald Welch

The following Directors were absent and excused:

Also in attendance:

- Blake Peterson, Balcomb & Green, P.C. (Zoom)
- Ken Marchetti, Marchetti & Weaver, LLC
- Kendra Nicholson, Marchetti & Weaver, LLC, secretary for the meeting
- Michael Faeder, 304 Jackman Ranch Rd. son of owner
- Dr. Eck, Resident

**Call To
Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:00 p.m. by Director Eck noting a quorum was present. There were no conflicts of interest disclosed.

**Additions to
The Agenda**

None – 304 Jackman and Rules & Regs move up on agenda

**Public
Comment**

There was no public comment.

**304 Jackman Ranch
Road**

Michael Fader spoke to the board asking for forgiveness of the water leaks in the irrigation system.

**Rules & Regulations
Draft Review**

Review of the Water Rules & Regulations presented by Balcomb & Green. There was a discussion of how to notify the homeowners of the changes in

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District August 10, 2023 Meeting Minutes

the water rules. Blake Peterson gave the Board options on verbiage to use when sending out the updated water rules and regulations. There was a discussion about some of the rules that don't currently apply to the District ie. sewer service or commercial use. Mr. Peterson stated that it's a good idea to leave in the verbiage in case it does become applicable in the future. There were Board comments and questions about the draft. There was a discussion about the water rates and getting them updated in the R&R. Mr. Peterson stated that the State is in the process of changing the regulations on the minimum standard for meters and it may become necessary for many of the Lake Creek residents to change out their water meters if the regulations do change. He suggested that the verbiage in the rules & regs referring to water meters (Pg. B4 #11) be changed to be more broad. The Board asked him for suggestions. The water tier rates also need to be updated (Pg A1). It was suggested that there be a reference to the current water rates on a separate document. This update will be taken care of when they are set at the budget hearing discussion in Oct/Nov. There was a Board discussion about tap fees and how they get charged on additions or renovations. There was also a discussion about the ability to inspect structures and additions (Pg. 13 Sec. 4.3 Use of System). Mr. Peterson pointed out the section about locates and the need to coordinate with the District Contractor (Currently Zancanella and Associates, Pg. 23 Sec. 4.7.1 & 4.7.2).

Water Cases Mr. Peterson reviewed the case CASE NO. 20CW3147 – OPPOSITION TO THE He stated there has been a slowdown in the rulings being made. H

Water Tour The Board was impressed by the proactive procurement of parts by the Water Systems Manager.

Minutes The Board reviewed the Minutes from the May 11, 2023 board meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the May 11, 2023 Minutes

Financial Statements Mr. Marchetti stated that the 2024 property taxes are shown on the financials in two versions, if Proposition HH passes and if it does not. There was a Board discussion about how the Mill Levy credit works and the ability to then remove the credit in the future. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the July 31, 2023 preliminary financial statements as presented.

Accounts Payable &

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District August 10, 2023 Meeting Minutes

Accounts

Receivable

The Board reviewed the June & July 2023 Accounts Payable & July Accounts Receivables lists as presented
Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the June & July 2023 Accounts Payable & July Accounts Receivables lists as presented

Adjournment

There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 10th day of August, 2023.

Respectfully submitted,

Kendra Nicholson
Secretary for the Meeting

Note: Kendra Nicholson prepared minutes, changes and approval completed by Board and Beth Johnston, successor to Kendra Nicholson.

RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of Lake Creek Metropolitan District September 14, 2023

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on August 10, 2023 at 4:00 p.m., at the offices of Marchetti & Weaver and via Zoom meeting, <https://us06web.zoom.us/j/85631752618?pwd=akRZL0IxRnZMSzhlWEVtdHFNSndvQT09>, in accordance with the applicable statutes of the State of Colorado.

Phone Only US 1 719-359-4580

Meeting ID: 856 3175 2618

Passcode: 567489

Attendance

The following Directors were present and acting:

- Anne McGonagle
- Kathleen Eck
- Ann Bourke
- Hatsie Hinmon
- Donald Welch

The following Directors were absent and excused:

Also in attendance:

- Blake Peterson, Balcomb & Green, P.C. (Zoom)
- Ken Marchetti, Marchetti & Weaver, LLC
- Cathy Rix, Marchetti & Weaver, LLC, secretary for the meeting
- Dr. Eck, Resident
- Tony Zancanella

Call To Order

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:00 p.m. by Director Eck noting a quorum was present. There were no conflicts of interest disclosed.

Legal

Mr. Peterson noted that the meeting had not been posted and recommended that no formal action be taken by the Board at this meeting.

Additions to The Agenda

304 Jackman Ranch Road Water Leak

Director Hinman inquired as to the condition of the area where the water leak at 304 Jackman Ranch Road occurred. Mr. Zancanella reported the leak has been repaired and the area is drying out and it appears the leak has been resolved.

Emergency Water Line Repair Jackman Ranch Road

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District September 14, 2023 Meeting Minutes

Mr. Zancanella reported that an additional leak occurred in a nine-foot section of pipe on Jackman Ranch Road. In repairing the leak, it was determined the condition of the pipe in that area is very poor. The pipe is over 60 years old and Mr. Zancanella is concerned that it could fail at any time. He is recommending replacement of 200' of pipe in that area. A preliminary rough estimated cost of the repair is \$150,000. Proceeding with this project will necessitate deferral of drilling Well 4 but Mr. Zancanella considers replacement of this pipeline to be more urgent than drilling Well 4. The Board authorized Mr. Zancanella to proceed with the replacement.

Public

Comment There was no public comment.

Rules & Regulations

Draft Review The Board reviewed the redlined Water Rules & Regulations with Mr. Peterson and Mr. Peterson will incorporate the changes into the next iteration of the water rules and regulations for consideration by the Board at the next meeting.

Minutes

Approval of the minutes was deferred until the next meeting.

Financial Statements

No financial statements were reviewed

Accounts Payable & Accounts Receivable

No Action taken

Adjournment

There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 14th day of September, 2023.

Respectfully submitted,

Cathy Rix and Kenneth Marchetti
Secretaries for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of Lake Creek Metropolitan District October 12, 2023

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on October 12, 2023 at 4:00 p.m., at the offices of Marchetti & Weaver, 28 2nd St, Unit 213, Edwards Eagle County, Colorado with an option to attend via Zoom meeting, <https://us02web.zoom.us/j/87369318556>, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Anne McGonagle
- Kathleen Eck
- Ann Bourke
- Hatsie Hinmon
- Donald Welch

Also in attendance:

- Blake Peterson, Balcomb & Green, P.C. (Zoom)
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, secretary for the meeting
- Tony Zancanella, District Water Operator (Zoom)
- Edwin Bell, interested party (Zoom)

**Call To
Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:05 p.m. by Director Eck noting a quorum was present. There were no conflicts of interest disclosed.

**Changes to
the Agenda**

Agenda item 5c was deleted – Mr. Marchetti explained that Moores’ attorney would not be attending the meeting.

Public Input There was no public input.

Mr. Marchetti updated the Board on staffing changes and explained that Ms. Johnston was reassigned as the account manager for the District. The Board welcomed Ms. Johnston back into this role.

Minutes

The Board reviewed the previous meeting minutes included in the packet. Two changes were requested in the August 10, 2023 minutes, to clarify Michael Faeder’s relationship to the owner of 304 Jackman Ranch Rd and add “Associates” after Zancanella in the Rules & Regulations Draft Review discussion.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District October 12, 2023 Meeting Minutes

The Board requested that two typographical errors in the Emergency Water Line Repair discussion be corrected: update “vail” to “fail” and “800” to “200”. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the August 10, 2023 minutes with the discussed changes.

Water Legal Mr. Peterson reported that there were no updates on the Water Court cases at this time.

Water Rules and

Regulations Mr. Peterson reviewed the redline and clean versions included in the meeting packet explaining there were no substantive changes from the previous version. The redline version blue text is proposed changes from prior versions and the red text are changes from the previous meeting:

- Clarification on the 811 service that homeowners are not required to register for the service
- Revised “employees” to “personnel”
- Clarification from “Contractor” to “District Contractor”

There was discussion on the changes and the Board requested the following additional changes and clarifications:

- Definition of 2.35 Water System Manager, add “or entity” after “person”
- Capitalize Customer in Section 4.6.7 to show it refers to the definition in Section 1

There was discussion on Sections 4.6.8 Special Permits and 5.2.4 Winter Taps and if additional clarification on the process was necessary. Following discussion, there were no requested changes to either section. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the Lake Creek Metropolitan District Water Rules and Regulations with the requested changes.

The Board requested that the final version of the Rules and Regulations be posted on the website and a statement message be sent with the water billing alerting water uses of the new Rules and Regulations.

1937 Saddle Horn Way

Pool Request Mr. Peterson explained that the Cattleman’s Inclusion does not allow District water to be used to fill a pool since it is not considered a domestic use of water. The Inclusion Agreement only allows District water to be used for domestic use. No further action is required by the Board.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District October 12, 2023 Meeting Minutes

Water

Operations

Mr. Zancanella reported the following:

- The Jackman Ranch Road new water line project replacing 200' of water line was complete, costing \$118,000. The existing pipe was left in the ground and abandoned. There was general discussion on whether the remaining line would also need to be replaced, running the next line from Jackman Ranch Rd to Meadow Rd and the efficiency of the project.
- Discussion continued on seepage at Spring Place and Brown's request for water rights on the new spring.
- The future owner of 341 Jackman Ranch Road is receptive to a fire hydrant being installed on his property.
- Director Welch inquired about water being drawn from the creek by owners along the creek and how it was accounted for. Mr. Zancanella said the meters on the pumps are read monthly and the report is due to the State annually around November 15. The Board requested a copy of the report be included in the next meeting packet.
- Mr. Cozzens, the owner of the new construction home at 2288 E Lake Creek Road, is taking water out of the main Creamery Ditch via a 2" pipe adjacent to their property although LCMD diverts water out of the main Creamery Ditch through the Creamery Lateral located above (up-ditch) from where the main Creamery crosses Lake Creek Road. The Cozzens would like to take LCMD water out of the Creamery main ditch adjacent to their property although all of LCMD's water is currently removed from the main Creamery Ditch above that point. There was general discussion on liability that could arise from an additional diversion point from the main Creamery Ditch and corresponding responsibility for LCMD to maintain the main Creamery Ditch below the current Creamery Lateral diversion. Mr. Zancanella recommends that all owners should tap off the Creamery Lateral, not the main, if they are utilizing the District's water rights. The Board tabled further discussion until Spring 2024 when irrigation is started for the season.

Water Leak 304 Jackman

Ranch Rd

Mr. Marchetti reviewed the background on the water leaks reported by Mr. Faeder at 304 Jackman Ranch Rd explaining there were three separate leaks and the owner has taken corrective measures to avoid future issues. The Board inquired and discussed whether homeowner's insurance could be used to recover costs, if their system has timers to shut off the system if it detects a leak, while a water feature was running if the owners were not at the property to monitor it, forgiveness given to other owners that experienced a leak, and challenges contacting the owner when the leak was discovered by the District. Following discussion, and upon motion duly made and seconded, with Director Welch opposed, it was

RESOLVED to reduce the June billing to the base rate plus Tier 2 rate for all excess water usage and no changes to any other billing.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District October 12, 2023 Meeting Minutes

The Board requested that a message or letter be added to the next billing requesting owners update their contact information with the District.

Financial Mr. Marchetti reviewed the financial statements included in the packet and noted the 2024 budget columns for Board review. There being no questions from the Board, the budget would be considered for adoption at the November meeting.

Accounts Payable The Board reviewed the Accounts Payable List included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to ratify and approve the Accounts Payable List as presented.

Accounts Receivable The Board reviewed the Accounts Receivable report included in the packet. Ms. Johnston noted two accounts over 90 days past due would be contact for collection efforts. The Board requested Ms. Johnston follow up on the base rate being charged to 16 W Lake Creek Rd.

Water Rates This item was tabled for consideration during the 2024 Budget consideration.

Future Meetings The Board confirmed the next meeting for November 9, 2023 at 4:00 pm. The meeting will be published as the 2024 Budget hearing.

Adjournment There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 12th day of October, 2023.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

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Attendance The following Directors were present and acting:

- Anne McGonagle (Zoom)
- Kathleen Eck
- Ann Bourke
- Hatsie Hinmon
- Donald Welch

Also in attendance:

- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, secretary for the meeting (Zoom)
- Tony Zancanella, District Water Operator
- Blake Peterson, Balcomb & Green, P.C. (Zoom)

**Call To
Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:02 p.m. by Director Eck noting a quorum was present. There were no conflicts of interest disclosed.

**Changes to
the Agenda**

There were no changes to the agenda.

Public Input There was no public input.

Minutes The Board reviewed the previous meeting minutes included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the October 12, 2023 minutes as presented.

Water Legal Mr. Peterson reported

- The Water Rules and Regulations have been finalized and are ready to be posted on the website.
- There is nothing new to report on the Eck-Benbow or Town of Minturn opposition cases at this time.
- There was general discussion on the Upper Yampa case filed in Division 6 which is an overhaul of the Rules and Regulations to raise standards for measuring devices, water accounting, etcetera. Mr. Peterson anticipates

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District November 9, 2023 Meeting Minutes

similar standards will be adopted statewide if it prevails. Discussion continued on timing for Division 6 to adopt the new standards, State involvement, and the District's opportunity to have input and comment in any rule making for Division 5.

Water

Operations

Mr. Zancanella reported the following:

- Reviewing the Production and Consumption reports, consumption has significantly decreased for the season and unaccountable water is most likely due to the Jackman Ranch Road leak and repair.
- Irrigation graphs show that water diverted from the creek and usage is below the allotment. General discussion was had on usage from the creek, if water rights can be taken away if not used by the District, and cost to customers using District provided well water versus creek users for irrigation.
- Reviewed the Eagle County bridge replacement over Lake Creek and how the District's water lines could be affected.

Creamery Ditch

Tutorial

Mr. Zancanella shared the map showing the Main Creamery ditch and the Creamery Lateral ditch. These ditches are referred to herein as the "Main Creamery" and "Creamery Lateral" to differentiate the two ditches. All the water for both the Main Creamery and the Creamery Lateral is in the Creamery Ditch until the Creamery Lateral takeout point on 2300 Lake Creek Road. The Main Creamery then runs behind 2233 Brook Place. The Creamery Lateral is the ditch through which the District obtains its water. The District does not have water rights on the Main Creamery beyond the Lateral takeout point, only on the Lateral. Karska and Milbery are inclusions to the District, and they are denied using water directly from the Main Creamery ditch per the inclusion agreements.

The new owner of 2288 E Lake Creek, Cozzens, reported they have an agreement with the ditch rider to take water from the Main Creamery and is requesting to use the District's water rights for the diverted water. There is currently no meter on the take-out constructed by Cozzens and there is concern that the take-out could cause the ditch to wash out similar to the wash-out several years ago from a similar take-out. Director Eck gave background on the wash out in the past and asserted that owners need to be solely liable for their own systems. There was discussion on the liability to the District if the ditches wash out, accounting for the water taken from the Main Creamery ditch, other owners that are diverting water from the Main Creamery ditch and precedent that could be set if Cozzens continue to divert from the Main Creamery without proper accounting. Discussion continued on maintenance of the ditches and challenges with forming a ditch company to maintain the ditch.

Following discussion, the Board requested Mr. Zancanella and Mr. Geiger prepare a letter to be sent to the Cozzens informing them that if they would like to use the District's water rights, any water taken from the Creamery ditch needs to be taken

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District November 9, 2023 Meeting Minutes

from the Creamery Lateral Ditch and metered and accounted for and that they are solely liable for their own system. Alternatively, Cozzens's can file for their own water rights and not use the District's rights

2024 Water Rates

Ms. Johnston stated that the Notice To Consider a Rate Increase had been posted on the District's website as required by State statute. Mr. Marchetti reviewed the proposed increase to the Water User Fees (base rate fee increase) and Tap and Plant Investment Fees to raise funds needed for upcoming infrastructure projects and bring the District's rates in line with ERWSD. Mr. Marchetti explained that ERWSD was moving to a tier structure intended to remove the incentive for larger homes to also have larger outdoor irrigated areas. Discussion turned to purchasing extra SFEs without having an active construction project and it was determined that any such purchase would be subject to the Tap and Plant Investment fees as well as user fees after the purchase. Further discussion was had on how to curtail outside use, such as removing sod and other high water use landscaping, increased construction costs for the infrastructure projects, and increasing the fund balance through property taxes, such as eliminating the proposed mill levy credit, versus raising water user fees.

Following discussion, the hearing for consideration of water rates for 2024 was continued until the next meeting and no action was taken to change fees at this time.

2024 Budget Mr. Marchetti stated the meeting had been published as the public hearing to adopt the 2024 Budget and Amend the 2023 Budget, if needed. The public hearing was opened to take comments on the preliminary 2024 budget. Mr. Marchetti reviewed the 2024 budget included in the packet requesting the Board disregard the Prop HH Passes column since Proposition HH was not passed by voters on November 7. There is a 53% increase to the assessed value, so the proposed mill levy has been set to bring in approximately the same amount of property tax dollars as prior years by using a temporary mill levy credit. Mr. Marchetti reviewed the current known timeline for certifying the mill levy and adopting the budget explaining that it could be extended depending on the outcome of a special legislative session called for November 17.

Following discussion, the 2024 budget hearing was continued until the next meeting. The Board further requested three budget options using mill levy, user fees, and a combination to raise funds based on earlier discussions.

Accounts Payable

The Board reviewed the Accounts Payable List included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to ratify and approve the Accounts Payable List as presented.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District November 9, 2023 Meeting Minutes

Accounts

Receivable Ms. Johnston reported that the two past due accounts have been paid and are current. Ms. Johnston reported she emailed the Board shortly after the last meeting that the base rate being charged to 16 W Lake Creek Rd is correct.

Vendor

Proposal The Board reviewed the proposal from Whittaker Landscaping for 2024 included in the packet. There was general discussion on what the proposal covered and, following discussion, it was unanimously

RESOLVED to accept the proposal form Whittaker Landscaping for 2024 landscape irrigation services.

Future

Meetings The Board added a special meeting for December 14, 2023 at 4:00 pm for continuation of the water rates and budget discussions.

The Board reviewed the 2024 meeting calendar included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2024 meeting calendar.

Adjournment There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 9th day of November, 2023.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of Lake Creek Metropolitan District December 14, 2023

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on December 14, 2023 at 4:00 p.m., at the offices of Marchetti & Weaver, 28 2nd St, Unit 213, Edwards Eagle County, Colorado with an option to attend via Zoom meeting, <https://us02web.zoom.us/j/85631752618>, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Anne McGonagle (Zoom)
- Kathleen Eck (Zoom)
- Ann Bourke
- Hatsie Hinmon
- Donald Welch

Also in attendance:

- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, secretary for the meeting (Zoom)
- Tony Zancanella, District Water Operator (Zoom)
- Spencer Denison, owner
- Laura Bohannon, Eagle County Conservation District

Call To Order

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:03 p.m. by Director Eck noting a quorum was present.

Ken Marchetti noted that he is a Board Member on the Eagle County Conservation District and had a potential conflict of interest with the public input speaker. There were no other conflicts of interest disclosed.

Changes to the Agenda

Due to scheduling conflict, the Water Operations discussion was moved up on the agenda.

Public Input

Ms. Bohannon gave background on the Eagle County Conservation District (ECCD) and its local programs, land management strategies, and current funding sources. ECCD needs to raise \$200,000 for going to election in fall 2024 to request a small mill levy to continue their efforts. ECCD is requesting a donation from the District of \$1,000 in 2024. The Board asked several questions about the work of the ECCD and weed mitigation program.

There was no other public input.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District December 14, 2023 Meeting Minutes

Water

Operations

Mr. Zancanella reported the following:

- Accounting was finished for the season for Lake Creek with 360 acre-feet. They are finalizing the summary and will send to the Board once finished.
- The Board requested a list of the properties on the creek that are not using creek water for irrigation.

Discussion turned to the Lui Hopper Ditch water rights and who can use the ditch. General discussion was had on the platted easement, if it were better to use well system instead of the ditch, and previous discussions about piping the ditch and the estimated cost to do so.

Water Legal

Ms. Johnston relayed that Mr. Peterson conveyed there was nothing new to report at this time on any of the outstanding water cases and that the updated Rules and Regulations notification would be more obvious on future water billings.

Minutes

The Board reviewed the previous meeting minutes included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the November 9, 2023 minutes as presented.

2024 Water Rates

Mr. Marchetti reopened the public hearing for consideration of changes to water rates continued from the November 9, 2023 meeting. Mr. Marchetti reviewed the proposed increase to the Tier 1 (Base) Water User Fees and Tap and Plant Investment Fees to raise funds needed for upcoming infrastructure projects and bring the District's rates in line with ERWSD. There was discussion on how the Tap and Plant Investment fee are calculated for existing homes, remodels, and new builds. Discussion continued on merging the tap and plant investment fee as ERWSD has done or keeping it separate, and how existing home credits would be applied if the fees were merged. Discussion turned to water user rates charged by the District and other water providers, the amount of revenue that would be raised by increasing the water user fees and what the fees are used for. Following discussion, the public hearing was closed.

2024 Budget

Mr. Marchetti stated that the meeting was a continuation of the 2024 Budget hearing from the November 14 meeting and reopened the public hearing. Mr. Marchetti reviewed the 2024 budget options as requested by the Board at the previous meeting, showing options for a modest \$3 water user fee increase with temporary mill levy credit, a larger \$9 water user fee increase and temporary mill levy credit, and no mill levy credit no water user rate increase. The mill levy credit and modest user fee increase are projected to bring in a similar amount of revenue as 2023 and would split the difference between water user and property tax revenue. Discussion turned to options the District had to raise funds if something catastrophic were to happen, creating a reserve for future repairs and replacement,

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District December 14, 2023 Meeting Minutes

funds necessary for drilling the new well, and history of rates for irrigation through the well system versus from the creek. Following review and discussion, the public hearing was closed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolutions to Adopt the 2024 Budget, subject to minor adjustments; and

FURTHER RESOLVED to approve the Resolution to Set the Mill Levy to 10.458 mills with a temporary mill levy credit to generate \$194,011 for operations; and

FURTHER RESOLVED to approve the Resolution to Appropriate Sums of Money for spending in 2024 subject to minor revisions; and

FURTHER RESOLVED to approve the Resolution Concerning Water User Fees increasing the Tier 1 Base Fee to \$74 per SFE, leaving Tiers 2 through 4 unchanged, and removing the Tap and Plant Investment Fee sections so they also remain unchanged, effective with the first billing in January 2024.

Accounts Payable

The Board reviewed the Accounts Payable List included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to ratify and approve the Accounts Payable List as presented.

Accounts Receivable

Ms. Johnston reported that there were no accounts of concern to report.

Transfer Privileges

Colostrust

Ms. Johnston reviewed the changes to Colostrust's transfer policy explaining that all transfers are now required to be entered online by the account holder. The safeguards in place allowing only transfer of funds between Lake Creek accounts were also reviewed. Following discussion, the Board directed that Ms. Johnston be added as an authorized signer on the Colostrust account for processing transfers.

Future Meetings

The Board confirmed the next meeting for February 29 at 4:00 p.m.

Adjournment There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 14th day of December, 2023.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District December 14, 2023 Meeting Minutes

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

Subject to Approval